



WILLIAM C. WELDON  
CHAIRMAN  
AND  
CHIEF EXECUTIVE OFFICER

NEW BRUNSWICK, NEW JERSEY 08933

May 16, 2003

The Honorable Bill Thomas  
Chairman  
Committee on Ways and Means  
House of Representatives  
Washington, D.C. 20515

Dear Chairman Thomas:

We, here at Johnson & Johnson, want to express our strong support for your international tax reform legislation. The bill recognizes the critical need to revise our tax system in order for U.S. businesses to remain competitive in the global marketplace and we pledge to work with you to see it enacted into law.

Your bill would replace the extraterritorial income (ETI) with a set of tax code changes that relieve some of the excessive burdens U.S. businesses now face, thus making it possible for us to expand globally and increase jobs in the United States. It is clear that the response the Congress issues to the World Trade Organization must ensure that U.S. multinational firms are not placed at a competitive disadvantage when the ETI regime is repealed and your bill achieves that goal.

We are especially gratified that your bill also provides for an extension of the research and development tax credit. This credit is an important element in businesses' decision to engage in additional research activities in the United States so that these high-wage jobs are created rather than lost.

Finally, including an incentive to encourage companies to repatriate foreign earnings now, will increase corporate cash flow, stimulate U.S. investments, and allow a more productive use for monies currently retained in a firm's foreign operations. We applaud your leadership in this effort.

Thank you for your leadership on these important issues. We look forward to working with you to reduce the drag the tax code has had on U.S. businesses operating in the global marketplace.

Sincerely,

William C. Weldon